

SEP 17 1980

Support
S-1372



KENNETH A. GIBSON

MAYOR
NEWARK, NEW JERSEY
07102



Honorable Wynona Lipman
New Jersey State Senator
50 Park Place
Newark, New Jersey 07102

September 16, 1980

Dear Senator Lipman:

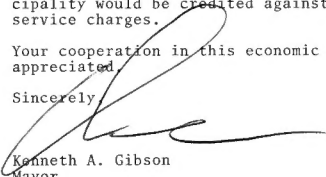
I respectfully request your State Government Committee's favorable consideration of S-1372 and the proposed amendment which would cover tax-abated properties in the scope of the bill.

The proposed amendment would not alter the intent of the bill. Instead, it would include all hotel properties, thus conforming to the intent of the bill. In Newark, for example, not all hotels pay property taxes. If a hotel has a tax-abatement, it pays a fee known as a service charge or a payment-in-lieu of taxes.

Passage of this bill will encourage non-taxable entities to develop non-taxable lands in such a way as to produce revenue for municipalities in the same way that taxable entities could. At the same time, taxable entities would not be penalized by paying double taxes (property taxes or abatement service charges plus occupancy taxes); rather, the occupancy taxes paid to the municipality would be credited against property taxes or abatement service charges.

Your cooperation in this economic development legislation is greatly appreciated.

Sincerely,



Kenneth A. Gibson
Mayor

cc: Greta Kiernan, Port Authority